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SHIMAO GROUP HOLDINGS LIMITED
世茂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 813)

QUARTERLY UPDATE

This announcement is made by Shimao Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

RECENT DEVELOPMENT OF THE GROUP

Financial information

The audit work of the Group for 2021, the review of the 2022 interim results and the audit work for 2022 are still in progress. The Company will publish the 2021 audited annual results, the 2022 interim results and the 2022 audited annual results, and despatch the respective annual reports and interim report as soon as practicable.

Independent investigation and internal control review

The independent investigation on the issues raised by the previous auditor of the Company in its resignation letter has been completed, relevant announcement dated 23 June 2023 has been published. The internal control review into the Group’s internal control system is still in progress, the Company will publish the result of the review as soon as possible.

Business operation

For the period from January to May 2023, the Group’s aggregated contracted sales amounted to approximately RMB23.86 billion and aggregated contracted sold area amounted to 1,581,294 sq.m.. The Group will continue to focus on completion and delivery of its property projects and the improvement of sales performance to ensure the stable and sustainable operation of the Group’s business.

Progress on offshore debt restructuring

The Company along with its financial and legal advisors have in the past several months been actively pushing forward the proposed restructuring of the offshore indebtedness of the Group (the “**Proposed Restructuring**”). The Company continues to maintain constructive dialogue with various groups of creditors, including but not limited to: (i) an ad hoc group of holders of the US\$ denominated senior notes issued by the Company (the “**AHG**”); (ii) a co-ordination committee comprising various offshore banks which in aggregate hold meaningful portion of the Group’s offshore indebtedness (the “**CoCom**”); and (iii) their respective advisors, with a view to stabilizing the situation of the Company, easing its current liquidity challenges and implementing a restructuring plan that treats all its creditors fairly and protects the interests of all its stakeholders.

The Company has circulated draft restructuring proposals to the advisors of the AHG and CoCom. The Company and its advisors are working diligently with advisors of the CoCom and the AHG to facilitate their due diligence exercise in understanding the latest operations of the Group and to verify the validity of the restructuring proposals put forth by the Company. The parties are working to narrow differences on various economic terms among various groups of creditors contemplated under the restructuring proposals.

Separately, as part of an effort to preserve the value of Sheraton Hong Kong Tung Chung Hotel and Four Points by Sheraton Hong Kong Tung Chung in Hong Kong (collectively, the “**Tung Chung Hotels**”), the Group has successfully entered into definitive agreement to restructure the existing project loan facilities of the Tung Chung Hotels with the project lenders in June 2023. The Tung Chung Hotels may form part of asset package(s) as supplemental credit enhancement for the Proposed Restructuring as appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 April 2022. Trading in the shares of the Company will remain suspended until further notice.

Holders of the Company’s securities and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
Shimao Group Holdings Limited
Hui Sai Tan, Jason
Vice Chairman and President

Hong Kong, 3 July 2023

As at the date of this announcement, the Board of the Company comprises five Executive Directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman and President), Ms. Tang Fei, Mr. Lu Yi (Executive President) and Mr. Xie Kun; one Non-executive Director, namely, Mr. Ye Mingjie; and three Independent Non-executive Directors, namely, Mr. Lyu Hong Bing, Mr. Lam Ching Kam and Mr. Fung Tze Wa.